August 6, 2002

TO: Shari Howell

FROM: Howard W. Bell, Jr.

RE: Interview notes

The following are excerpts from the notes that I took during our telephone interview in May. I have incorporated these excerpts in a draft Best Practices report that I am writing. Please verify that the following excerpts capture the essence of your practices at Penn State University.

Shari Howell and her staff at Penn State University:[1]

1) Said that the logistic regression model used by Penn State University:

    a) Contains the following ten (10) variables:

        i)   Number in college
        ii) Cost of attendance
        iii) Ethnicity
        iv) Total income
        v)   Need (Cost of a Penn State education minus the applicant's EFC)
        vi) Total Pell
        vii) 3 institutional specific aid measures
        viii)   College work-study.

    b) Reduces overawards in the 600 person sample population that they selected for comparative purposes by 87.8% while the CPS edits only reduced it by 35.4%. The same logistic regression model reduced underawards by 42.2% versus 32.6% for the CPS edits. In addition, Penn State University stated that they attained these results even though they only verified 10% to 15% of the applicant pool versus the 30% verification requirement for the CPS edits.

2) Stated that the:

    a) Verification of the number of dependents in an applicant's parents' household enrolled in a college or university is done on a self-reporting basis.
    a) University uses its Web site to provide students with answers to Frequently Asked Questions and alerts about the Pell Grant program.
    b) University urges students to file their FAFSA electronically.

3) Said that:

    a) Estimated tax filers have a high error rate.

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[1] Information identified in a May 6, 2002 telephone discussion with Shari Howell of Penn State University.

b) Reporting of taxes paid is a source of error for a number of applicants.
c) Taxes paid versus taxes withheld are sometimes misreported.

4) Expressed a desire for more interaction amongst the QA schools.